



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0518/P2
JK:kjf:ph

DOA:.....Ley, BB0229 - Sales and use tax exemption for items used in qualified research

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

TAXATION

OTHER TAXATION

Under current law, the sale of tangible personal property, animals, and certain other items to a person who is primarily engaged in biotechnology or manufacturing in this state is exempt from the sales and use tax if the property, animals, or items are used for qualified research. This bill allows a member of a combined group of corporations to claim the exemption if another group member is conducting qualified research for the member who is engaged in biotechnology or manufacturing in this state.

Because this bill relates to an exemption from state or local taxes, it may be referred to the Joint Survey Committee on Tax Exemptions for a report to be printed as an appendix to the bill.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 77.54 (57) (a) 1f. of the statutes is renumbered 77.51 (1c).

SECTION 2. 77.54 (57) (a) 1m. of the statutes is renumbered 77.51 (1d).

SECTION 3. 77.54 (57) (a) 4. of the statutes is renumbered 77.51 (10rn).

SECTION 4. 77.54 (57) (a) 5. of the statutes is repealed.

SECTION 5. 77.54 (57) (b) 1. of the statutes is repealed.

SECTION 6. 77.54 (57) (b) 2. of the statutes is repealed.

SECTION 7. 77.54 (57d) of the statutes is created to read:

77.54 (**57d**) (a) In this subsection:

1. “Building” has the meaning given in s. 70.111 (10) (a) 1.

2. “Combined group” has the meaning given in s. 71.255 (1) (a).

3. “Machinery” has the meaning given in s. 70.11 (27) (a) 2.

4. “Qualified research” means qualified research as defined under section [41](#)

(d) (1) of the Internal Revenue Code, except that it includes qualified research that is funded by a member of a combined group for another member of a combined group.

5. “Used exclusively” has the meaning given in sub. (3) (b) 3.

(b) The sales price from the sale of and the storage, use, or other consumption of machinery and equipment, including attachments, parts, and accessories, and other tangible personal property or items or property under s. 77.52 (1) (b) or (c) that are sold to any of the following and that are consumed or destroyed or lose their identities while being used exclusively and directly in qualified research:

1. A person engaged in manufacturing in this state at a building assessed under s. 70.995.

2. A person engaged primarily in biotechnology in this state.

3. A combined group member who is conducting qualified research for another combined group member and that other combined group member is a person described under subd. 1. or 2.

SECTION 9337. Initial applicability; Revenue.

(1) QUALIFIED RESEARCH SALES TAX EXEMPTIONS. The treatment of section 77.54 (57) (a) 1f., 1m., 4., and 5. and (b) 1. and 2., and (57d) of the statutes first applies retroactively to sales made on January 1, 2012.

SECTION 9437. Effective dates; Revenue.

(1) QUALIFIED RESEARCH SALES TAX EXEMPTIONS. The treatment of section 77.54 (57) (a) 1f., 1m., 4., and 5. and (b) 1. and 2. and (57d) of the statutes takes effect retroactively on January 1, 2012.

(END)